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C O N F I D E N T I A L SECTION 01 OF 03 ABU DHABI 000430

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STATE FOR NEA/ARPI AND INR/B STATE PASS TO USTR FOR AUSTR DONNELLY, DOUG BELL

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SUBJECT: ANNOUNCEMENT OF NEW UAE FEDERAL CABINET IMMINENT

REF: A. 05 ABU DHABI 3211 1B. 05 ABU DHABI 4905

Classified By: Classified by Ambassador Michele J. Sison, reasons 1.4 (b) and (d).

- 11. (C) Summary: The announcement of a new UAE federal cabinet is likely to be made soon after the 40-day mourning period for the late UAE Vice President and Prime Minister and Dubai Ruler Sheikh Maktoum bin Rashid al-Maktoum has passed. Information Minister Sheikh Abdullah bin Zayed (AbZ) appears slotted to become foreign minister, Maktoum's successor and younger brother, Sheikh Mohammed bin Rashid (MbR), appears set to keep the Defense portfolio, and Mohammed Khalfan bin Kharbash, an instrumental player in our FTA negotiations, could be replaced as Minister of State for Financial and Industrial Affairs, according to Embassy contacts. al-Roumi, the current under secretary for social affairs at the Ministry of Labor and Social Affairs, would head a new Ministry of Social Affairs and join Economy and Trade Minister Sheikha Lubna al-Qassimi as the cabinet's only women members. Another expected development, the breakup of the Ministry of Justice, Islamic Affairs, and Endowments, in a move to ensure more resources are devoted to teaching moderate Islam in mosques and schools, was previewed for us by Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed (MbZ) during DEA Administrator Karen Tandy's visit in July 2005 (ref A).
- 12. (C) Summary continued: Announcements of a new Federal National Council (FNC) and details about how the government plans to elect half the council's membership, postponed due to the mourning period, are likely to be announced in the coming weeks, sources say. Once the new government is announced, we expect a stable transition, with MbR playing an active role as prime minister. End Summary.
- ¶3. (C) Speculation about the new UAE federal cabinet's makeup and the inter-emirate negotiations over ministerial portfolios have intensified during the mourning period for the late Sheikh Maktoum. The general consensus among our contacts is that cabinet decisions have been made between MbZ and MbR and will be announced soon after the mourning period for Maktoum is over (February 13). Our contacts also believe that MbR will be a much more active prime minister than was his late brother. The man responsible for so many of Dubai's successes, including the free and open trading environment, is said to be interested in spreading his philosophy across the emirates and their institutions, especially economic reform and education.

- ¶4. (C) Most believe that Information Minister Sheikh Abdullah will become the UAE's next foreign minister, replacing Rashid Abdullah al-Noaimi. AbZ's ascendancy in the foreign affairs arena has been apparent for several years, capped last fall by his attendance at the UNGA where he gave the UAE's plenary speech. AbZ also has led UAE diplomatic efforts in Syria, Lebanon, and the Palestinian territories. The UAE's next ambassador to Washington and an AbZ man, InfoMin U/S Saqr Ghobash, has dropped hints, such as, "My boss is clever and intelligent," and, "The Foreign Ministry will be run better when there is a new government." AbZ has also been given the task of coordinating the UAE's positions on difficult issues)- such as natural resources -) in the ongoing FTA negotiations with the U.S.
- 15. (C) Less clear is what his older brother, Hamdan, will do next. Hamdan has been Minister of State for Foreign Affairs since 1990, but since 2003, when he was appointed deputy prime minister, he has shared the responsibility of running Cabinet meetings with brother Sultan, the UAE's other deputy prime minister. A source close to the ruling family told Polchief that Sheikh Hamdan will become more active as deputy prime minister, but no longer have the title as MinState for Foreign Affairs.

Defense Portfolio

16. (C) Despite rumors that MbR would give up the defense portfolio, which he has held since 1976, a source with access

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to the al-Nahyans insisted there will be no change. Since the incorporation of Dubai's forces into the federal military in 1997, MbR has had no role in the decisions, staffing, or funding of the armed forces, leaving those responsibilities to MbZ. MbZ served as Chief of Staff of the Armed Forces from 1993 until January 2005 when he was appointed Deputy Supreme Commander of the armed forces. Given how hard MbR's father, the late Sheikh Rashid, pushed during UAE federation negotiations for Dubai to have the position, most believe that Dubai would not give it up. According to chatter in one majlis (open council meeting), Dubai Emirate wants to keep the portfolio both for ceremonial purposes and because it is good for business (i.e. Dubai Air Show). Some have suggested that MbR's younger brother, Ahmed bin Rashid, who commanded Dubai's forces prior to 1997, would take on the role. Others said it could go to Major General Nahyan bin Zayed, commander of the Emiri Guard.

Financial Affairs

17. (C) Although Mohammed Khalfan bin Kharbash, an instrumental player in the ongoing U.S.-UAE FTA talks has agreed to hold the next round of FTA negotiations in Abu Dhabi the week of March 13, we have heard from two people that he is apparently on his way out as Minister of State for Financial and Industrial Affairs. An Embassy contact said that ministry staff hoped he would not change ministries. He also said that Kharbash has been very effective, allowing Finance Minister Sheikh Hamdan bin Rashid of Dubai to relax. (Note: Kharbash is the de facto finance minister, with cabinet rank. He had been very ill over the summer and has cut his work schedule somewhat. Although he looked healthy during the London round of FTA negotiations a week ago, an Embassy contact confirmed that he would also go for a medical checkup while he was in London, and still heeded orders "to rest" when necessary. End Note.)

Other Portfolios

- $\underline{\P}8.$ (C) Other possible changes in the expected cabinet reshuffle include:
- -- Social Affairs: The new cabinet will have two women with the appointment of Mariam al-Roumi as Minister of Social Affairs. Al-Roumi has been under secretary at the Ministry of Labor and Social Affairs. In November 2004, Sheikha Lubna al-Qassimi became the first UAE woman appointed to the cabinet. Sheikha Lubna told a group of U.S. Congress interns this week that she expected more women will be named ministers, without saying how many or what portfolios. (Note: Labor Minister Ali al-Kaabi would keep his portfolio. End note.)
- -- Islamic Affairs: The Ministry of Justice, Islamic Affairs, and Endowments is being split up. Islamic Affairs will become a separate organization, but without cabinet status. MbZ previewed the split during DEA Administrator Karen Tandy's visit in July 2005. He said the government wanted to guarantee that sufficient resources are devoted to ensuring that moderate Islam is preached and taught in UAE mosques and schools.
- -- Education: Sheikh Nahyan bin Mubarak would stay on as Minister of Higher Education, and educational affairs would again be split into a Ministry of Education and a Ministry of Higher Education. The ministry's authority was weakened after establishment in September 2005 of the Abu Dhabi Education Council, chaired by MbZ. MbR, who is keen on advancing educational initiatives, reportedly offered the Education portfolio Economy Minister Sheikha Lubna, who is the co-chair of the UAE's FTA team with the U.S. and the UAE's lead negotiator for the UAE-Australia FTA negotiations, but she refused.
- -- Interior: A source close to the al-Nahyans maintains that MinInterior Sheikh Saif bin Zayed is staying put. However, usually credible and reliable sources at the ministry and Abu Dhabi police have told the Embassy that Saif would be replaced. Other sources say he had a dispute with MbZ over a lucrative security communications contract involving Motorola and Nokia. Saif owns the local Motorola distributorship and elected to go with Motorola to purchase communications

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equipment. MbZ denied the contract because the armed forces had purchased the Nokia system.

- -- Homeland Security: Some Embassy officials have heard that retired UAE Air Force Commander, Major General Khalid bin Abdullah al-Buainnain, is being touted as head of a new homeland security agency.
- -- Information and Culture: Upon AbZ's departure for the MFA, the ministry would be dismantled. AbZ would continue to chair the board of governors of Emirates Media Inc., which operates three satellite television stations and seven radio stations.
- -- Health: Hamad al-Midfa is rumored to be out as minister.
- -- Presidential Affairs: This ministry would merge with the Ministry of Supreme Council and GCC Affairs, with the increasingly influential Sheikh Mansour bin Zayed remaining as minister.

Limited Elections for the FNC

19. (C) President Khalifa announced in December 2005 that the UAE would hold indirect elections for half the FNC membership and continue to appoint the other half (ref B). The FNC historically begins its two-year sessions in November, but the council's inauguration is now three months overdue, in part due to Maktoum's death. Election details will be announced in the coming weeks, sources say.